IRS

INTERNAL REVENUE SERVICE

www.irs.gov

News Release

Media Relations Office	Washington, D.C.	Tel. 202.622.4000
For Release: 6/04/01		Release No: IR-2001-56

$128 MILLION RELEASED FOR SYSTEMS MODERNIZATION; IRS STRATEGY MOVES FORWARD

WASHINGTON -- Congressional leaders have approved the release of $128 million for the continued funding of the Internal Revenue Service's Business Systems Modernization program.

"This funding comes at just the right time and keeps our efforts to modernize America's tax system moving forward and on track," John Reece, IRS Deputy Commissioner for Modernization and Chief Information Officer, said Monday.

Leaders of the Senate and House Appropriations Committees released the $128 million after a careful review of the progress the IRS has made in its modernization effort.

The $128 million meets the modernization program's funding needs for the balance of fiscal year 2001. The money will be used for new initiatives, increased funding for previously approved projects and to carry projects through the first six weeks of fiscal year 2002.

The new projects included in this funding request were proposed in a recently completed vision and strategy effort and include the Customer Account Management project, which provides agency-wide workload routing, management, and case assignment. It gives IRS employees access to complete and accurate information when working with taxpayers. The project will be rolled out in five phases.

An additional project, Filing and Payment Compliance, will utilize business and technology improvements, including shortening the time it takes to resolve cases with those who haven't filed necessary tax returns or paid balances due.

The Reporting Compliance project will focus on the use of improved tools and technology to make the IRS examination process more efficient and will include an automated decision analysis case selection process.

(more)

The implementation of the Taxpayer Education project will enable the IRS to collaborate with partners to identify, develop and deliver customer-focused educational information.

An IRS-wide system that will track key information and assign work to support management processes will be implemented in the Workload Planning and Control project.

These new projects follow successful results from previous funding releases, which include the Customer Accounts Data Engine (CADE) project. CADE will incrementally replace the Master Files and Integrated Data Retrieval System (IDRS) with new technology, new applications, and new databases. The IDRS is a critical system that helps manage the taxpayer data held in the tape files.

Previous fund releases have provided resources for the IRS Enterprise Architecture, which guides the agency's information technology projects, specifies the infrastructure and ensures privacy and security are built into all BSM project designs.

Those same financial resources were crucial in the implementation of hardware that enabled the IRS to answer 8 million more taxpayer phone calls during the 2001 tax filing season. Through the Customer Communication project, the IRS will continue to deploy technology that expands IRS capability to answer taxpayer phone calls and increase the number of taxpayers who can access automated information about refunds and tax information.

A prior funding release will allow the Service to complete this summer the first rollout of the Customer Relationship Management Exam (CRM-EXAM) project. CRM-EXAM is the installation of commercial software that enhances IRS revenue agent's capability in working with the most complex tax calculations that taxpayers deal with, including carryback/carryforward, Alternative Minimum Tax and Foreign Tax Credit .

Also underway is the Security and Technology Infrastructure Release (STIR) project. STIR is the development of the essential underlying security infrastructure for projects to secure telephone and electronic interaction among employees, tax practitioners and taxpayers. The project is planned for release in 2002.

The $128 million comes from $577 million set aside by Congress in a special Information Technology Investment Account (ITIA). Before Congress releases this money to the IRS, the agency's proposals undergo a stringent, multi-layered review process to ensure a proper approach to technology modernization. The process includes reviews by an internal IRS group, the Treasury Department, the Office of Management and Budget, and the General Accounting Office. Leaders of the House and Senate Appropriations Committees have the final say on each release of ITIA money.

As part of the budget process, Congressional appropriators have requested the IRS to take several additional steps, such as improving configuration management and adding more definition to the Enterprise Architecture. In response, the IRS will work quickly and take steps to address these key areas, including sufficiently defining the architecture and creating an effective configuration management process.

"This sixth release of funds for systems modernization demonstrates congressional confidence in our ability to get the job done, " said IRS Commissioner Charles O. Rossotti. "Our partnership with Congress is critical to the success of modernization."

The Business Systems Modernization project is a joint effort between the IRS and a private-sector consortium headed by Computer Sciences Corporation. The consortium is known as the Prime, and works under the Prime Systems Integration Services contract.

The Prime contract is a long-term effort that could last 10 -15 years. The project's ultimate goal is to revolutionize nearly every aspect of the IRS, with new technology touching everything from the agency's core data systems to the processing of tax returns.

X X X